

HIGH RISK MATERIALS POLICY

EXECUTIVE SUMMARY

Swizzels' High-Risk Materials Policy outlines its commitment to responsible sourcing of raw materials that could pose environmental and human rights risks, particularly in relation to deforestation. We have identified palm oil derivatives, soy, and paper & pulp as high-risk materials and we are working hard to ensure that they are sourced sustainably.

Swizzels sources palm oil derived ingredients from certified sustainable suppliers, that have plans to achieve full compliance with deforestation-free standards. For soy, we collaborate with suppliers that are committed to being Deforestation and Conversion Free (DCF) by 2025. In our paper and pulp (boxes) sourcing, Swizzels ensures compliance with Forest Stewardship Council (FSC) standards and other deforestation regulations.

Across all materials, we set clear expectations with suppliers to verify that their products do not contribute to deforestation or ecosystem degradation, reinforced through our Supplier Code of Conduct.

INTRODUCTION

Forests function as the second-largest carbon sink after oceans, support biodiversity, and regulate the climate. However, their degradation leads to greenhouse gas emissions, accelerating climate change and biodiversity loss, which severely impacts both the environment and human welfare.

The European Union's Deforestation Regulation (EUDR) and the UK's Forest Risk Commodities (FRC) regime both require businesses to prove that their products are not the result of deforestation.

Even though confectionery is excluded from the EUDR regulation because the focus currently is more on the raw material than the end product, our attitude of always trying to do the right thing remains. We do not want to use ingredients or packaging that contributes to deforestation. We have therefore asked our suppliers of high-risk materials what they will be doing to be compliant.

We have identified the raw materials in our supply chain that potentially pose risks for deforestation and human rights violations. They are palm oil derivatives, soy and paper & pulp.

1. Palm oil derivatives

According to the [Roundtable on Sustainable Palm Oil \(RSPO\)](#), of which Swizzels is a member, palm oil is very efficient, producing more oil per hectare than any other vegetable oil. It uses 4 to 10 times less land than other oil crops to get the same amount of oil. The industry also provides millions of jobs, especially in countries like Indonesia and Malaysia.

Rather than stopping the purchase of palm oil, which could be environmentally destructive and economically damaging to those that grow it, our view is that it is better to source it sustainably. Sustainable palm oil is produced responsibly, following rules that protect animals, the environment, and workers. This includes stopping deforestation, treating communities fairly, and protecting wildlife.

Swizzels does not buy palm oil directly, but some ingredients from our suppliers contain it. We work with highly reputable suppliers, and starting from July 1st, 2024, any palm oil we receive will be at least "mass-balanced" i.e. it contains some certified palm oil, and so helps to support sustainable practices. In 2023, 66% of all palm oil derived products we purchased came from "segregated" sources. Segregated palm oil only comes from certified, sustainable plantations that avoid deforestation and exploitation. We will consider further purchases of products that contain segregated palm oil rather than mass balanced when suppliers offer it, and it is a viable option.

Our Palm Oil Policy can be read [here](#).

To manage supply risk, Swizzels collaborates with several global suppliers of palm-oil derived product, and annually we will be asking them to commit to buying deforestation and conversion-free agricultural commodities. Evidence suggests they are already taking significant steps to comply, citing a range of very positive measures including:

- Moving towards a zero-deforestation approach
- Gathering information about suppliers and checking their compliance using satellite monitoring and third-party services
- Buying RSPO Segregated Certified Palm oil i.e. Already deforestation free.

2. Soy

It is extremely important to be sure that soy farming is not contributing to deforestation however the global, fragmented, long supply chain creates a complex environment where it is hard to trace soy back to the exact farm it came from and therefore whether it caused deforestation.

We are committed to only collaborating with suppliers of soy that have a clear and robust Deforestation and Conversion Free (DCF) policy. We do not buy soy directly, but there is one ingredient from one supplier that contains it. That supplier, a global organisation, state that by 2025 direct sourced soy will be Deforestation and Conversion Free (DCF), proven through, amongst other ways, third party certification. This gives Swizzels confidence that the relatively small amount of soy we are buying is not linked to environmental damage.

3. Paper and pulp

We have two main suppliers of board.

Our corrugate board supplier supports responsible forestry, including zero deforestation. They have demonstrated this by:

- Providing Swizzels with their Declaration of Compliance showing that they meet the requirements of the EUDR and FRC regime.
- Holding FSC certification as do their supplier.
- Having traceability standards enabling them to supply information on the countries of origins for the corrugated sheet material

Our folding box board supplier has stated that when the new EUDR regulations are implemented they will supply Swizzels with a certificate of compliance for all goods they provide us that will state that they will meet the requirements of acts, regulations, and orders applicable in Europe and the United Kingdom including the EU Deforestation Regulation (EU) 2023/1115.

OUR COMMITMENT & ACTIONS

Our commitment is to only source packaging and ingredients which we can reliably verify are not linked to the loss or degradation of natural forest or ecosystems. We will ask our suppliers for proof to be available upon request that the products we purchase do not come from recently deforested land or contribute to forest degradation. We will do this via our [Supplier Code of Conduct](#) which is sent out annually.

Jonathan Dee

Supply Chain Director

Date Reviewed: 8th October 2024